ACTRA PERFORMERS' RIGHTS SOCIETY

FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2026

HILBORN LLP

Independent Auditor's Report

To the Members of ACTRA Performers' Rights Society

Opinion

We have audited the financial statements of ACTRA Performers' Rights Society (the "Society"), which comprise the statement of financial position as at February 28, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at February 28, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Society to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Society.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Society.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Society to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hilborn LLP

Toronto, Ontario
August 18, 2026

Chartered Professional Accountants
Licensed Public Accountants

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF FINANCIAL POSITION

AS AT FEBRUARY 28, 2026

	2026	2025
ASSETS		
Current assets		
Cash	**$ 8,110,955**	$ 6,203,826
Accounts receivable	**40,065**	44,315
Prepaid expenses	**56,351**	64,269
	8,207,371	6,312,410
Capital assets *(note 3)*	**9,766**	17,283
	8,217,137	6,329,693
Trust assets		
Funds held in trust for performers *(note 4)*	**13,955,974**	12,501,813
Funds held in trust for minors *(note 4)*	**16,268,056**	15,806,448
	30,224,030	28,308,261
	38,441,167	34,637,954
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(note 5 and 8)*	**691,326**	248,378
Due to ACTRA National *(note 6)*	**318,257**	322,308
	1,009,583	570,686
Trust liabilities		
Funds held in trust for performers	**11,530,763**	10,271,388
Funds held in trust for performers - Unclaimed Monies *(note 7)*	**2,425,211**	2,230,425
Funds held in trust for minors	**16,268,056**	15,806,448
	30,224,030	28,308,261
NET ASSETS		
Unrestricted net assets	**7,197,788**	5,741,724
Invested in capital assets	**9,766**	17,283
	7,207,554	5,759,007
	$ 38,441,167	$ 34,637,954

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

President

Treasurer

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF OPERATIONS

YEAR ENDED FEBRUARY 28, 2026

2026	PRS - Claims	PRS - RACS	Total
Income			
Member service charges	$ 801,395	$ -	$ 801,395
Non-member service charges	1,051,902	-	1,051,902
Minor's Trust service charges	47,058	-	47,058
Investment income	394,714	212,850	607,564
International admin fees	4,785	-	4,785
Administration fees			
Independent Production Agreement	339,118	-	339,118
Screen Actors Guild Pension	14,311	-	14,311
Private copying	-	2	2
Tariffs	-	2,439,795	2,439,795
IPA disbursement fee	234,986	-	234,986
Contribution from IPA Unclaimed Monies *(note 7)*	278,348	-	278,348
Profit participation from Credit Union *(note 2)*	61	61	122
	3,166,678	2,652,708	5,819,386
Expenses			
Salaries and benefits *(Schedules A and E)*	1,501,257	1,320,713	2,821,970
Professional fees *(Schedules B and F)*	132,009	230,807	362,816
Bank charges and interest	25,804	20,133	45,937
Computer expenses and software	25,977	28,542	54,519
Courier	210	253	463
Depreciation - computer	4,965	4,939	9,904
Depreciation - furniture and equipment	633	633	1,266
Director expenses *(Schedules C and G)*	50,743	69,350	120,093
Furniture and equipment	1,230	1,230	2,460
Insurance	12,874	12,874	25,748
Office supplies and miscellaneous	4,551	4,318	8,869
Postage	17,778	5,872	23,650
Printing	276	-	276
Rent	163,978	163,977	327,955
Research and development *(Schedules D and H)*	20,894	125,728	146,622
Shredding & disposal costs	1,857	-	1,857
Storage costs	22,692	11,164	33,856
Telephone	3,840	3,168	7,008
	1,991,568	2,003,701	3,995,269
Excess of income over expenses before the following:	1,175,110	649,007	1,824,117
Reimbursement to ACTRA National *(note 7)*	(278,348)	-	(278,348)
Distribution to performers of IPA Unclaimed Monies > 5 years *(note 7)*	(97,222)	-	(97,222)
Excess of income over expenses for the year	$ 799,540	$ 649,007	$ 1,448,547

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF OPERATIONS *(continued)*

YEAR ENDED FEBRUARY 28, 2026

2025	PRS - Claims	PRS - RACS	Total
Income			
Member service charges	$ 662,964	$ -	$ 662,964
Non-member service charges	845,733	-	845,733
Minor's Trust service charges	47,512	-	47,512
Investment income	598,414	286,743	885,157
Administration fees			
Independent Production Agreement	349,443	-	349,443
Screen Actors Guild Pension	11,831	-	11,831
Private copying	-	202	202
Tariffs	-	2,354,251	2,354,251
IPA disbursement fee	189,431	-	189,431
Contribution from IPA Unclaimed Monies *(note 7)*	262,642	-	262,642
	2,967,970	2,641,196	5,609,166
Expenses			
Salaries and benefits *(Schedules A and E)*	1,404,429	1,308,606	2,713,035
Professional fees *(Schedules B and F)*	114,176	275,921	390,097
Bank charges and interest	19,999	19,163	39,162
Computer expenses and software	20,001	31,665	51,666
Courier	782	155	937
Depreciation - computer	6,413	5,486	11,899
Depreciation - computer programming	-	2,590	2,590
Depreciation - furniture and equipment	777	777	1,554
Director expenses *(Schedules C and G)*	49,374	110,629	160,003
Furniture and equipment	2,160	2,160	4,320
Insurance	12,534	12,534	25,068
Office supplies and miscellaneous	5,896	4,650	10,546
Postage	25,555	5,985	31,540
Printing	9,215	2,385	11,600
Rent	173,010	173,010	346,020
Research and development *(Schedules D and H)*	41,427	159,862	201,289
Storage costs	11,717	11,717	23,434
Telephone	4,090	4,691	8,781
Recovery of AFBS benefit reserve	(37,703)	(15,852)	(53,555)
	1,863,852	2,116,134	3,979,986
Excess of income over expenses before the following :	1,104,118	525,062	1,629,180
Reimbursement to ACTRA National *(note 7)*	(262,642)	-	(262,642)
Distribution to performers of IPA Unclaimed Monies > 5 years *(note 7)*	(218,032)	-	(218,032)
Excess of income over expenses for the year	$ 623,444	$ 525,062	$ 1,148,506

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED FEBRUARY 28, 2026

	Unrestricted net assets				
2026	**PRS - Claims**	**PRS - RACS**	**Sub-Total**	**Invested in Capital Assets**	**Total**
Net assets - at beginning of year	**$ 1,764,858**	**$ 3,976,866**	**$ 5,741,724**	**$ 17,283**	**$ 5,759,007**
Excess of income over expenses for the year	**799,540**	**649,007**	**1,448,547**	**-**	**1,448,547**
Purchase of capital assets	**(1,931)**	**(1,722)**	**(3,653)**	**3,653**	**-**
Depreciation	**5,598**	**5,572**	**11,170**	**(11,170)**	**-**
Net assets - at end of year	**$ 2,568,065**	**$ 4,629,723**	**$ 7,197,788**	**$ 9,766**	**$ 7,207,554**

	Unrestricted net assets				
2025	PRS - Claims	PRS - RACS	Sub-Total	Invested in Capital Assets	Total
Net assets - at beginning of year	$ 1,138,773	$ 3,444,846	$ 4,583,619	$ 26,882	$ 4,610,501
Excess of income over expenses for the year	623,444	525,062	1,148,506	-	1,148,506
Purchase of capital assets	(4,549)	(1,895)	(6,444)	6,444	-
Depreciation	7,190	8,853	16,043	(16,043)	-
Net assets - at end of year	$ 1,764,858	$ 3,976,866	$ 5,741,724	$ 17,283	$ 5,759,007

The accompanying notes are an integral part of these financial statements

ACTRA PERFORMERS' RIGHTS SOCIETY

STATEMENT OF CASH FLOWS

YEAR ENDED FEBRUARY 28, 2026

	2026	2025
Cash flows from operating activities		
Cash receipts from members, non-members and producers	**$ 5,216,079**	$ 4,707,618
Cash paid to employees and suppliers	**(3,533,233)**	(4,266,454)
Cash received from investment income	**607,557**	885,157
Reimbursement to ACTRA National *(note 7)*	**(278,348)**	(262,642)
Distribution to performers of IPA Unclaimed Monies > 5 years (note 7)	**(97,222)**	(218,032)
	1,914,833	845,647
Cash flows from financing activities		
Advances to (from) related organizations	**(4,051)**	234,147
Cash flows from investing activity		
Purchase of capital assets	**(3,653)**	(6,444)
Change in cash during the year	**1,907,129**	1,073,350
Cash - at beginning of year	**6,203,826**	5,130,476
Cash - at end of year	**$ 8,110,955**	$ 6,203,826

The accompanying notes are an integral part of these financial statements

ACTRA Performers' Rights Society ("PRS" or the "Society") is a not for profit corporation incorporated under the Canada Not-for-Profit Corporations Act as a corporation without share capital. The Society is the arm of ACTRA that collects and disburses use fees, royalties, residuals and all other forms of compensation and remuneration that performers may be entitled to as a result of their work.

Recording Artists Collecting Society ("RACS"), formerly Sound Recording Division, acts as the collection and distribution division of the Society with respect to equitable remuneration due to performers under the Copyright Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Basis of Presentation

Fund Accounting

The Society uses fund accounting, whereby the operations of the PRS - RACS division which includes processing of private copying and tariffs is presented separately from the general operations of the Society - PRS - Claims.

Net Assets Invested in Capital assets

Net assets invested in capital assets comprises the net book value of capital assets.

Revenue Recognition

Members, non-members and minor's trust service charges are recognized when the services are rendered and related payments are processed. Administration fees are recognized when the services are rendered and funds held in trust are paid out.

Funds held in the trust account and not claimed by a member for more than five years are recognized in income as contribution from IPA Unclaimed Monies. The funds should be utilized in the collective interest and for the benefits of the ACTRA membership as per the Constitution.

Profit participation from the Credit Union is recognized when the profit distribution is collected or its collection is reasonably assured.

Investment income is comprised of interest, mutual fund distributions, dividends and realized gains and losses from investment transactions. Interest is recognized as income when earned except for interest earned on minors trust fund which is directly recorded to the trust liability account. Distributions and dividends are recognized as income when declared. Realized gains and losses from disposal of investments are recognized when the transactions occur.

Unrealized gains and losses which reflect the changes in fair value of the investment held during the period are recognized at each reporting date and included in current period income.

Financial Instruments

i) Measurement of Financial Assets and Liabilities

The Society initially measures its financial assets and liabilities at fair value except for those resulting from related party transactions. The Society subsequently measures all its financial assets and financial liabilities at amortized cost except for marketable securities that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

i) Measurement of Financial Assets and Liabilities (continued)

Financial assets and liabilities measured at amortized cost include cash, trust assets, accounts receivable, accounts payable and accrued liabilities and trust liabilities.

ii) Related party transactions

A party is considered to be related to the organization if such party or the organization has the ability to, directly or indirectly, control or exercise significant influence over the other's financial and operating decisions, or if the organization and such party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The financial instruments originated from the related party transactions are measured as follows:

- at cost determined using undiscounted cash flows excluding interest payments, less any impairment losses previously recognized by the transferor, if the financial instrument has repayment terms; and

- at cost, determined using the amount of consideration transferred or received, if the financial instrument does not have repayment terms.

Subsequently, all related party financial instruments are measured at cost less impairment, if any.

Related party financial assets and liabilities that are forgiven are recognized in net income if the original transaction was in the normal course of operations, and within net assets if the original transaction was not in the normal course of operations.

iii) Impairment

Financial assets measured at amortized cost are tested for impairment at the end of each reporting period. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;

- the amount that could be realized by selling the assets or group of assets;

- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

Trust Assets

Investments held in trust are comprised of cash in bank, cash with broker, investment savings account and guaranteed investment certificates (GICs). Investments held in trusts are recorded at amortized cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight line basis as follows:

Computer equipment	-	3 years
Computer software	-	5 years
Furniture and equipment	-	5 years
Leasehold improvements	-	over the term of the lease

The above rates are reviewed annually to assess ongoing appropriateness. Any changes are adjusted on a prospective basis. If there is an indication that the assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2026.

Use of Estimates

The preparation of the Society's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

Key areas of estimation where management has made difficult, complex or subjective judgments, include those relating to the useful lives of capital assets and other assets and liabilities valuation.

2. INVESTMENT IN CREDIT UNION AND RIGHT TO PROFIT PARTICIPATION

On November 18, 2008, the Society purchased 50,000 Class B Investment shares of CASCU for $50,000, pursuant to an Offering Statement dated July 31, 2008. On August 11, 2013, the Society purchased an additional 100,000 Class B Investment shares for $100,000 pursuant to an Offering statement dated March 31, 2013.

In October 2020, CASCU sold all of its assets to FirstOntario Credit Union Limited ("FirstOntario") and became the "Creative Arts Division" of FirstOntario.

Immediately following the sale of CASCU's assets to FirstOntario, CASCU, FirstOntario, along with all the institutional investors who owned Class B Investment shares entered into a "Profit Participation Agreement" under which, the institutional investors agreed to release CASCU or FirstOntario from any obligation to pay the redemption amount of the Class B Investment shares of CASCU and in turn, acquired a right to jointly share 15% of the profit from the Creative Arts Division over a period of 10 years. The Society will be entitled to 4.72% of the profit participation distribution, if any, during the term of the agreement based on the cost of the Class B Investment shares subscribed by the Society.

Due to high level of uncertainty associated with the future profitability of the Creative Arts Division, the right to profit participation acquired by the Society is measured at nil.

During the current year, the Creative Arts Division of FirstOntario reported a profit and distributed profit participation amount of $122 to the Society ($Nil - 2025).

3. CAPITAL ASSETS

2026	***Cost***	***Accumulated Amortization***	***Net Book Value***
Computer equipment	$ 481,653	$ 472,257	$ 9,396
Computer software	1,404,076	1,404,076	-
Furniture and equipment	333,014	332,644	370
Leasehold improvements	24,478	24,478	-
	$ 2,243,221	$ 2,233,455	$ 9,766

2025	***Cost***	***Accumulated Amortization***	***Net Book Value***
Computer equipment	$ 478,000	$ 462,354	$ 15,646
Computer software	1,404,076	1,404,076	-
Furniture and equipment	333,014	331,377	1,637
Leasehold improvements	24,478	24,478	-
	$ 2,239,568	$ 2,222,285	$ 17,283

4. TRUST ASSETS

Funds Held in Trust for Performers

Details of investments are as follows:

Face Value/Unit	***2026***	***2025***
Investments, at amortized cost		
Cash in bank	$ 8,893,009	$ 7,570,014
Cash with broker	159	194
RBC Investment Savings Account	1,199,054	489,273
Guaranteed income certificates with effective interest rates ranging from 2.00% to 3.53%, (2025 - 2.50% to 5.19%) with maturity dates ranging from November 1, 2026 to December 19, 2028 (2025 - March 11, 2025 to January 16, 2026)	3,863,752	4,442,332
	13,955,974	12,501,813

Funds Held in Trust for Minors

Details of investments are as follows:

		2026	***2025***
Investments, at amortized cost			
	Cash in bank	658,178	656,111
	Guaranteed investment certificates:		
$15,442,030	FirstOntario Credit Union, 2.45% (2025 - 3.00%) annual yield for each minor account	15,442,030	14,988,844
$75,000	Fairstone Bank, 3.95% due December 4, 2029	78,669	75,698
$85,000	Homeequity Bank, 3.97% due December 4, 2029	89,179	85,795
		16,268,056	15,806,448

4. TRUST ASSETS (continued)

Investment Risk Management

Risk management relates to the understanding and active management of risks associated with all areas of the Society's activities and operations. Investments are primarily exposed to credit risk, interest rate and market price risk. The Society has formal policies and procedures for investment transactions. The Society's investment practice is to hold all fixed income investments to maturity.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The investments held in trust are not exposed to significant credit risk as they are protected by insurance.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income investments held by the Society. The value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise. The financial instruments subject to interest rate risk are investments in guaranteed investment certificates. The Society holds the investments in guaranteed investment certificates to maturity and is not exposed to significant interest rate risk.

Price Risk

Price risk is the potential loss that the Society may incur with respect to the changes in fair value of investments. The fair value of investments will fluctuate because of changes in market price whether those changes are caused by factors specific to the individual securities, or issuers or factors affecting all securities traded in the market. The Society is not exposed to significant price risk in respect of the trust assets.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include government remittances totaling $191,356 at February 28, 2026 ($92,174 - 2025).

6. RELATED PARTY TRANSACTIONS

The Society is related to ACTRA National, a not-for-profit organization, in that, it is the arm of ACTRA that collects and disburses use fees, royalties, residuals and other compensation and remuneration performers may be entitled to for the use of their work, and both organizations have common voting membership. ACTRA National is a federation of autonomous branches/local unions which are national in scope, representing performers in live transmissions and recorded media.

In the normal course of business, the Society, ACTRA National and ACTRA Branches share common costs. The Society also makes distribution of unclaimed monies to ACTRA National and ACTRA Branches.

Details of related party balances are as follows:

	2026	*2025*
Liabilities		
Due to ACTRA National	$ 318,257	$ 322,308

Amount due to ACTRA National are non-interest bearing, unsecured and due on demand.

7. DISTRIBUTION OF UNCLAIMED MONIES

In the fiscal year 2022, ACTRA National Executive, ACTRA National Council and the Board of Directors of ACTRA Performers Rights Society (the "Society") approved a motion towards the use of the unclaimed monies or no-known address monies ("UCM/NKA's") collected by the Society and held in the trust accounts beyond five years, being that the funds should be utilized in the collective interest and for the benefits of the ACTRA membership as per the Constitution.

As a result of the motion, ACTRA National Council approved a special disbursement of $958,127 by ACTRA National from its surplus to ACTRA Branches on behalf of ACTRA PRS. The special disbursement was equivalent to 50% of UCM/NKA's collected by the Society and released from the trust accounts for fiscal year ends 2013 through 2019. ACTRA National completed the special disbursement in the fiscal year 2022 based on a commitment from ACTRA PRS to distribute a total of $958,127 back to ACTRA National when ACTRA PRS was in a financial position to do so.

During the year, ACTRA PRS distributed $278,348 ($262,642 - 2025) to ACTRA National pursuant to the direction of ACTRA National Council and the ACTRA PRS Board made in fiscal year 2022. As at the end of the year, the cumulative distributions amounted to $878,133.

Included in the statement of operations were distributions totaling $97,222 (2025 - $218,032) to performers with unclaimed monies for a period of more than five years. The $97,222 of unclaimed monies were previously transferred from the UCM/NKA to the General Account of the Society in the year when they had remained in trust for more than five years.

8. LEASE COMMITMENTS

The Society has a commitment under an operating lease for premises. The lease expires on July 31, 2035. The minimum annual payments under the lease are as follows:

2027	$ 135,000
2028	139,000
2029	142,000
2030	146,000
2031	150,000
Thereafter	546,000
	$ 1,258,000

In addition to the minimum rent, the Society is obligated to pay operating costs for its office space. The operating costs paid for the current year were approximately $193,000 ($182,000 - 2025).

The Society is entitled to the lease inducement totaling $93,236 over the lease term. During the year, the Society received an allowance of $69,612 to apply toward rent. As at February 28, 2026, the Society has deferred lease inducement of $64,174 included in accounts payable and accrued liabilities.

9. FINANCIAL INSTRUMENT RISK MANAGEMENT

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure at the balance sheet date.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge and obligation. Financial instruments that potentially subject the Society to credit risk include cash, accounts receivable and investments in savings and guaranteed income certificates held in trust for Performers.

The Society mitigates credit risk with respect to cash by maintaining the accounts with reputable Canadian financial institutions.

The Society is not exposed to significant credit risk with respect to its accounts receivable.

Credit risk from the investing activities is closely monitored by the management. Details related to the credit risk associated with the investments held in trust for Performers are disclosed in note 4.

Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, due to ACTRA National, trust liabilities and lease commitments. The Society expects to meet these obligations as they come due by generating sufficient cash flow from operations and segregating the investments held for trust accounts.

9. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is not exposed to currency risk. Interest rate risk and other price risk are disclosed in note 4.

10. GUARANTEES AND INDEMNITIES

The Society has indemnified its past, present and future directors, officers and employees against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Society has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions, but there is no guarantee that the coverage will be sufficient should any action arise.

In the normal course of business, the Society has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, lease agreements and purchase contracts. In these agreements, the Society agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Society. The maximum amount of any potential liability cannot be reasonably estimated.

ACTRA PERFORMERS' RIGHTS SOCIETY

SCHEDULE OF EXPENSES - PRS - CLAIMS

YEAR ENDED FEBRUARY 28, 2026

	2026	2025
		Schedule A
Salaries and benefits		
Salaries	**$ 1,135,193**	$ 1,052,226
General benefits	**258,176**	252,120
RRSP benefits	**107,289**	97,829
Staff training and recruitment	**599**	2,254
	1,501,257	1,404,429
		Schedule B
Professional fees		
Audit fees	**8,333**	7,929
Consultant fees	**28,701**	26,776
Legal and arbitration fees	**36,891**	19,471
Document registration fees	**58,084**	60,000
	132,009	114,176
		Schedule C
Director expenses		
PRS Board of Trustees meetings	**11,826**	6,688
Honoraria	**28,369**	28,970
President's expenses	**2,582**	4,202
Executive director's expenses	**5,839**	3,068
Directors' expenses	**2,127**	-
Assistant Director's expenses	**-**	6,446
	50,743	49,374
		Schedule D
Research and development		
International association and membership activities	**12,376**	-
ITDS system development	**-**	37,703
Special projects	**8,518**	3,724
	$ 20,894	$ 41,427

ACTRA PERFORMERS' RIGHTS SOCIETY

SCHEDULE OF EXPENSES - PRS - RACS

YEAR ENDED FEBRUARY 28, 2026

	2026	2025
		Schedule E
Salaries and benefits		
Salaries	**$ 1,025,640**	$ 997,867
General benefits	**205,642**	219,417
RRSP benefits	**88,374**	90,927
Staff training and recruitment	**1,057**	395
	1,320,713	1,308,606
		Schedule F
Professional fees		
Audit fees	**8,333**	7,929
Consultant fees	**55,449**	68,250
Legal fees	**167,025**	199,742
	230,807	275,921
		Schedule G
Director expenses		
PRS Board of Trustees meetings	**11,826**	6,687
Honoraria	**28,369**	28,970
President's expenses	**2,582**	4,190
Executive director's expenses	**4,626**	6,070
Directors' expenses	**2,827**	1,779
Staff expenses	**-**	7,048
Industry events	**19,120**	55,885
	69,350	110,629
		Schedule H
Research and development		
International association and membership activities	**34,501**	32,942
ITDS system development	**-**	15,852
IT upgrade	**91,227**	111,068
	$ 125,728	$ 159,862

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